EXHIBIT 3 DATE 1-15-07

Amendment to House Bill No. 77 Introduced Copy (White)

1. Page 1, line 20. Strike: "regarding the"

Insert: "to determine during what"

Strike: "for which"

2. Page 2, line 3.

Following: "format of the claim"

Insert: "form"

3. Page 2, line 4.

Strike: "time the service or item"

Insert: "point-of-sale" Strike: "is provided"

4. Page 2, line 5. Strike: "3 years after"

Insert: "the 3-year period beginning on"

5. Page 2.

Following: line 8

Insert: "(5) This section shall not be construed to:

- (a) require that a third party pay any department claim for services or items that are not covered under the applicable health care plan;
- (b) require that any third party administrator, fiscal intermediary or other contractor pay a department claim from its own funds unless such entity otherwise bears the financial obligation for the claim under the applicable plan documents;
- (c) impose any liability on an entity to pay claims that the entity does not otherwise bear; or
- (d) negate any right of indemnification against a plan sponsor or other entity with ultimate liability for health care claims by a third party administrator, fiscal intermediary or other contractor that pays the claims."

-End-

Explanation: The federal Deficit Reduction Act (DRA) requires that Montana law impose certain requirements on third parties that make health care payments in order for the State of Montana to receive federal Medicaid funds. These amendments will ensure that the requirements of the DRA are satisfied and clarify that the requirements imposed on third party payers generally do not impose liability that would not otherwise exist.

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